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reasonable. *Montgomery Traction Co. et al. v. Harmon* (1904), — Ala. —, 37 So. Rep. 371.

For a discussion of the principles involved in this decision, see the following note.

CORPORATIONS—LIABILITY OF OFFICERS—NEGLIGENT MANAGEMENT—CONTRACTS BETWEEN CORPORATIONS HAVING COMMON OFFICERS.—Defendant was trustee and president of a building association, and, with other trustees, who were authorized to transact the business of the association, sold real estate to a trust company, of which he was also president and a heavy stockholder, in exchange for certain securities which were of doubtful value. All the trustees and officers of the building association were trustees or officers, or both, of the trust company. A bond and mortgage were taken from the trust company as a guaranty of the collection of the securities to the amount of the agreed price of the property, but by agreement the mortgage was not recorded. The trust company desiring to sell the property, defendant procured the passage of a resolution by the trustees of the building association authorizing the cancellation of the mortgage, without the knowledge or consent of the stockholders. *Held*, that the cancellation of the mortgage operated as a fraud upon the association, by depriving it of its only valid security, and rendered defendants individually liable. *Brinckerhoff v. Roosevelt et al.* (1904), — C. C. E. D., N. Y. —, 131 Fed. Rep. 955.

By the weight of authority the mere fact that the officers of two contracting corporations are common to both, does not render the contract void. The contract will not be set aside at the instance of a stockholder unless he shows damage. *Pauly v. Pauly*, 107 Cal. 8, 40 Pac. 29, 48 Am. St. Rep. 98; *Smith v. Ferries, etc. Ry.*, 51 Pac. Rep. 710. Such contracts, however, will be subjected to severe scrutiny and will be set aside by a court of equity on the least appearance of unfairness. *Hutchinson v. Sutton Mfg. Co.*, 57 Fed. Rep. 998. Although there is some conflict on the subject, the best line of authorities states that where the ground of liability is for nonfeasance, negligence or misjudgment in respect to matters within the scope of the proper powers of the officer, he will be held responsible for a failure to bring to the discharge of his duties such degree of attention, care, skill and judgment as is ordinarily used in the discharge of such duties. *The North Hudson Building & Loan Association v. Childs et al.*, 82 Wis. 460, 33 Am. St. Rep. 57; *Bank v. Hill*, 56 Maine 385, 96 Am. Dec. 470. As to the circumstances under which shareholders may maintain a suit in equity, in which the corporation itself is the appropriate plaintiff, see *Hawes v. Oakland*, 104 U. S. Rep. 450.

DEED—INSANE PERSON—VOIDABLE ASSIGNMENT.—Complainant entered into an executory contract with defendant company for the purchase of land and went into possession. Subsequently, he was adjudged insane and committed to an asylum, but no guardian was appointed for him. During his confinement, he made an assignment of his interest in the land contract to his wife, consenting to a conveyance by the defendant of the land in suit to her. After title perfected in the wife, she executed a lease of the premises to one of the